## BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

---00000---

IN THE MATTER OF THE PETITION OF

THE DIVISION OF OIL, GAS & MINING NOTICE OF HEARING

FOR AN ORDER TO FORFEIT THE

RECLAMATION SURETY POSTED BY

GULF INSURANCE COMPANY, AND : DOCKET NO. 2003-008 TO ENTER UPON AND PERFORM : CAUSE NO. M/045/022

RECLAMATION AT MAGNESIUM :

CORPORATION OF AMERICA ("MAGCORP, INC.") MINING

("MAGCORP, INC.") MINING
OPERATIONS AT THE KNOLLS

SOLAR EVAPORATION PONDS,

TOOELE COUNTY, UTAH.

---00000---

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on WEDNESDAY, AUGUST 27, 2003, at 10:00 a.m., or as soon thereafter as possible, in the Board Room of the Department of Natural Resources, 1594 West North Temple, Suite 1050, Salt Lake City, Utah.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 *et seq.* (2002) as provided for by Utah Code Ann. § 40-8-1 *et seq.* (2002) and Utah Code Ann. § 63-46b-1 *et seq.* (2002).

The purpose of the proceeding will be for the Board to receive testimony and evidence regarding an Order:

- 1. That the Board find that the operator MagCorp has ceased mining operations, has failed and refused to perform the reclamation, or post additional surety, and has accordingly relinquished its permit to mine.
- 2. That the Board order the surety, Gulf Insurance Company, to perform reclamation or order that Bond Number GA54 104 13B in the amount of \$110,000.00 be forfeited to the Division of Oil, Gas and Mining ("Division") to be used for reclamation of the Knolls Solar Evaporation pond facility.
- 3. That the Board authorize the Division to take such action through the office of the Utah Attorney General as may be necessary and appropriate to obtain performance

Page 2 Notice of Hearing Docket No. 2003-008

of reclamation by the surety or to recover the funds from Gulf Insurance Company in the amount of \$110,000.00 as posted and held as Bond Number GA54 104 13B.

- 4. That the Board authorize the Division to enter upon the Knolls Solar Evaporation pond properties to commence reclamation as it determines to be appropriate and necessary to protect the public welfare and safety, and to commence such additional reclamation as is practicable and as amount of funds obtained from the surety will permit.
- 5. That the Board grant such further relief as is just and equitable based on the facts and law as adduced at the hearing.

Objections to this matter should be filed with the Secretary of the Board at the address listed below no later than the 10th day of the month, or two weeks before the scheduled hearing, whichever is earlier. Objections filed later may be considered by the Board at or before the regularly scheduled hearing for good cause shown. A party who fails to attend or participate in the hearing may be held in default and judgement entered against that party.

Natural persons may appear and represent themselves before the Board. All other representation by parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts. Attorney representation may be waived by the Board upon petition and good cause shown.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Mary Potter at (801) 538-5327, at least three working days prior to the hearing date.

DATED this day of August, 2003.

STATE OF UTAH BOARD OF OIL, GAS AND MINING W. Allan Mashburn, Chairman

Secretary to the Box

Secretary to the Board

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

(801) 538-5327

## CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2003-008, Cause No. M/049/022 to be mailed with postage prepaid, this Study day of August, 2003, to the following:

CERTIFIED MAIL
7099 3400 0016 8895 8140
Lee E. Buchwald
Trustee for Magcorp
Buchwald Capital Advisors
420 Lexington Avenue, Suite 300
New York, NY 10170-0399

Tony J. Rudman, Esq. Magnesium Corporation of America 238 North 2200 West Salt Lake City, UT 84116-2921

Jack Wilson Gulf Insurance Company 125 Broad Street, 7<sup>th</sup> Floor New York, NY 10004

Gulf Insurance Company P.O. Box 131771 Dallas, TX 75313-1771

Attorney for Board of Oil, Gas & Mining c/o Mary Potter, Secretary to the Board 1594 West North Temple, Suite 1210 Salt Lake City, UT 84116 (Hand Delivered)

Steven F. Alder, Esq. Assistant Attorney General Attorney for Division of Oil, Gas & Mining 1594 West North Temple, Suite 300 Salt Lake City, UT 84116 John Andrews, Esq.
Attorney for Trust Lands Administration
Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818

Thomas B. Faddies Assistant Director of Mining Trust Lands Administration 675 East 500 South, Suite 500 Salt Lake City, UT 84102-2818

John Steiger, Field Solicitor Office of the Solicitor 125 South State Street, Room 6201 Salt Lake City, UT 84138-1180

Glenn Carpenter, District Manager Bureau of Land Management Salt Lake Field Office 2370 South 2300 West Salt Lake City, UT 84119

James Kohler, Branch Chief, Solid Minerals Bureau of Land Management Utah State Office 324 South State Street, Suite 301 P.O. Box 45155 Salt Lake City, UT 84145-0155

Dione Holland